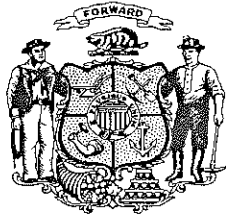


STATE OF WISCONSIN

SENATE CHAIR
MARK MILLER

317 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-9170



ASSEMBLY CHAIR
MARK POCAN

309 East, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-8570

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Mark Miller
Representative Mark Pocan

Date: July 15, 2010

Re: Department of Children and Families Monthly Wisconsin Shares
Program Report

Attached is a report on the Wisconsin Shares Program from the Department of Children and Families.

The report is being provided at the request of the Co-Chairs to review progress on fraud prevention, investigation and overpayment collections.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

MM:MP:jm

Jim Doyle
Governor

Reggie Bicha
Secretary



State of Wisconsin
Department of Children and Families

201 East Washington Avenue, Room G200
P.O. Box 8916
Madison, WI 53708-8916

Telephone: 608-266-8684
Fax: 608-261-6972
dcf.wisconsin.gov

July 15, 2010

Honorable Mark Miller, Senate Co-Chair
Joint Committee on Finance
Room 317 East, State Capitol
Madison, WI 53702

RECEIVED
JUL 15 2010
BY: *St. Finance*

Honorable Mark Pocan, Assembly Co-Chair
Joint Committee on Finance
Room 309 East, State Capitol
Madison, WI 53702

Dear Senator Miller and Representative Pocan:

This letter provides the Department of Children and Families' July 2010 report on fraud prevention, investigation and overpayment collection activities related to the Wisconsin Shares program. The data in this report covers June 2010 activities and is the ninth and final report for SFY 10. Next month we will submit the first report for SFY11, which will contain information regarding the Department's system for making automatic reductions to a family's level of authorized child care hours (i.e. the amount covered by Wisconsin Shares subsidy payments) if their attendance drops below 60%.

Previous reports have outlined the evaluation criteria Department staff use to manage our fraud related activities for the Wisconsin Shares program. This report shows that the staff and financial investments we have made in program integrity efforts continue to pay dividends through overpayment collections, documenting new overpayments for collection activity, suspension of providers who do not meet the regulatory standards of Wisconsin Shares, and fraud deterrence.

Following is a summary of June activity.

Wisconsin Shares Fraud Prevention, Detection and Recovery Expenditures, June 2010

Expenditures related to fraud prevention and investigation: \$196,300

The above amount represents the June 2010 costs of the Child Care Fraud Detection and Investigation Unit; information technology programming costs; and an estimate of county expenditures from their DCF fraud allocation related to investigating suspected fraudulent activity.

Expenditures related to recovering overpayments due to error or fraud: \$29,044

The June 2010 expenditures related to recovering overpayments due to error or fraud are estimated above. The Public Assistance Collections Unit (PACU) of DCF coordinates the

Senator Mark Miller
Representative Mark Pocan
July 15, 2010
Page 2

Department's efforts to collect public assistance overpayments, including Wisconsin Shares, which are attributed to participant error or fraud.

Overpayment and/or restitution collected by DCF: \$133,356

In June 2010, DCF collected \$70,575 in child care overpayments that were the responsibility of the individual for whom the child care subsidy was paid plus \$62,781 in child care overpayments that were the responsibility of child care providers. These collections are the result of ongoing efforts to recover historical overpayments. Most collections to date are due to DCF as a result of an administrative finding that an overpayment has occurred.

Overpayment and/or restitution collected by other agencies: \$0

No overpayments and/or restitution collections have been reported by other agencies in June 2010 to DCF.

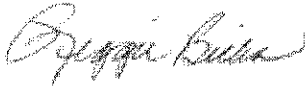
Providers Suspended from the Wisconsin Shares Program, June 2010

During the month of June, DCF suspended payments to two child care providers - one from Milwaukee County and one from Kenosha County. The Department continues to review the details of Milwaukee County suspensions with the Child Care Anti-Fraud Task Force.

Also during June, a total of \$174,570 in overpayments were established in the Department's tracking system against all providers suspended from the Wisconsin Shares program. Through June, the cumulative total for overpayments established against suspended providers since January of 2009 stands at \$3,347,104.

In summarizing the nine reports submitted to date, we have invested \$1.7 million for staff related costs that support fraud prevention, investigation and overpayment collection activities. From that investment we have collected over \$2.3 million of Wisconsin Shares overpayments and have identified over \$3.0 million in additional overpayments for which collection actions are being pursued. We are confident that these efforts have also had a significant impact in the Department spending over \$46 million less in Wisconsin Shares payments than the Act 28 budgeted level for SFY10. This has been an important year of progress for the Shares program, and I appreciate the opportunity to share this information with the Committee.

Sincerely,



Reggie Bicha
Secretary

cc: Dan Schooff, Department of Administration
Bob Lang, Legislative Fiscal Bureau

**Wisconsin Shares Provider Suspensions
June 2010**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Rachel Williams	Kenosha	06/25/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. An investigation by Kenosha County discovered that the provider was out of compliance with Certification regulations on multiple occasions. Additionally, there is strong evidence that the provider has reported children in attendance during times when no children were actually attending.	Yes	\$4,980.68	Yes	None to date
T-Marie Multicultural Childcare	Milwaukee	6/25/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations. The Department has evidence that the licensee admitted to the Department's investigators that she had not been maintaining accurate attendance records. The Department has evidence of significant inaccuracies of the provider's attendance and billing records between 10/18/2009 and 10/31/2009. The Department has evidence from former parents and former employees that their children did not attend on all of the dates the provider stated.	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A